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November 26, 2002

Ex Parte Notice

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Implementation of Section 11 of the Cable Television Consumer Protection and Competition Act of 1992, CS Docket No. 98-82; Implementation of Cable Act Reform Provisions of the Telecommunications Act of 1996, CS Docket No. 96-85; The Commission's Horizontal and Vertical Ownership and Attribution Rules, MM Docket No. 92-264; Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests, MM Docket No. 94-150; Review of the Commission's Regulations and Policies Affecting Investment in the Broadcast Industry, MM Docket No. 92-51; Reexamination of the Commission's Cross-Interest Policy, MM Docket No. 87-154.

Dear Ms. Dortch:

On November 26, 2002, representatives of Comcast Corporation ("Comcast") met with Simon Wilkie, Chief Economist. Comcast was represented by Jim Coltharp and Jim Casserly.

The discussion touched briefly on points reflected in Comcast's submissions in the above-captioned proceedings on January 4, February 19, and July 18, 2002. The main points we summarized were the following:

- Any new horizontal rules that the Commission adopts should focus on the flow of programming from program creators ("Market 1," as defined in Comcast's comments) to consumers and not concern itself with the allocation of rents between program aggregators ("Market 2") and program distributors ("Market 3").
- Any new horizontal rules that the Commission adopts must take account of the vast changes that have occurred in the video marketplace over the past decade – including substantially increased MVPD competition, vastly increased channel capacity, the persistent decline in vertical integration, the increase in other sales outlets for creators of video programming, and similar developments.

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- Comments responding to OPP Working Paper No. 35 demonstrated that the Working Paper assumes a hypothetical environment that bears no resemblance to the real-world environment in which video programming networks negotiate with cable operators for distribution of programming and studies that hypothetical environment in a way that is itself further removed from reality. Consequently, the study yields no insights relevant to describing – or predicting – actual bargaining between cable networks and cable operators (even if that were the proper focus of the Commission's concern, which it is not).

Pursuant to section 1.1206(b)(2) of the Commission's rules, we are filing this letter electronically with the Secretary. A copy of this letter is also being sent directly to Mr. Wilkie. Please let me know if you have any questions.

Sincerely,

James L. Casserly

cc: Simon Wilkie